



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OCT 28 2013

William J. Farah, Esq.
McGuire Woods LLP
2001 K Street, N.W., Suite 400
Washington, D.C. 20006

RE: MUR 6621
American Hotel & Lodging Association
American Hotel & Lodging Association
Political Action Committee and Joori Jeon
in her official capacity as treasurer
Joseph A. McInerney

Dear Mr. Farah,

On October 22, 2013, the Federal Election Commission accepted the signed Conciliation Agreement submitted by American Hotel & Lodging Association ("AHLA") and American Hotel & Lodging Association Political Action Committee and Joori Jeon in her official capacity as ("HotelPAC"), settling violations of 2 U.S.C. § 441b(b)(3) and (4) and 11 C.F.R. § 114.5(a) and (g), provisions of the Federal Election Campaign Act of 1971, as amended. In addition, the Commission dismissed the matter as to Joseph A. McInerney. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the Conciliation Agreement's effective date. Further, as noted in my letter, dated August 7, 2013, there were insufficient votes to make any findings with respect to the allegations concerning the improper solicitations relating to HotelPAC's 2010 fundraiser, *Lodging Magazine*, and AHLA's website. A Statement of Reasons explaining the basis for the Commission's disposition of those issues will follow.

13044350190

MUR 6621 (American Hotel & Lodging Association et. al)
William J. Farah, Esq.
Page 2 of 2

If you have any questions, please contact me at (202) 694-1530.

Sincerely,

A handwritten signature in black ink, appearing to read "Jin Lee", written in a cursive style.

Jin Lee
Attorney

Enclosure
Conciliation Agreement

13044350191

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3 In the Matter of)

4) MUR 6621

5 American Hotel & Lodging Association)
6 American Hotel & Lodging Association Political)
7 Action Committee and Joori Jeon in her official)
8 capacity as treasurer)

2013 AUG 29 PM 1:42
OFFICE OF THE CLERK
FEDERAL ELECTION COMMISSION

9
10 **CONCILIATION AGREEMENT**

11
12 This matter was generated by a complaint filed with the Federal Election Commission
13 ("Commission"). See 2 U.S.C. § 437g(a)(1). The Commission found reason to believe that
14 American Hotel & Lodging Association, American Hotel & Lodging Association Political
15 Action Committee and Joori Jeon, in her official capacity as treasurer, (collectively
16 "Respondents") violated 2 U.S.C. §§ 441b(b)(3)(B), (C) and 441b(b)(4)(A)(i) and 11 C.F.R.
17 § 114.5(a)(3), (4) and (g)(1).

18 NOW, THEREFORE, the Commission and the Respondents, having participated in
19 informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree
20 as follows:

21 I. The Commission has jurisdiction over the Respondents and the subject matter of this
22 proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.
23 § 437g(a)(4)(A)(i).

24 II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken
25 in this matter.

26 III. Respondents enter voluntarily into this agreement with the Commission.

27 IV. The pertinent facts in this matter are as follows:

28 1. The American Hotel & Lodging Association ("AHLA") is an incorporated trade
29 association that represents the lodging industry.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

7
8

4. The Federal Election Campaign Act of 1971, as amended (the “Act”) prohibits a corporation from making a contribution in connection with a federal election. 2 U.S.C. § 441b(a). The Act, however, permits a corporation to establish, administer, and solicit contributions, to a separate segregated fund to be utilized for political purposes. 2 U.S.C. § 441b(b)(2)(C).
5. The Act prohibits a corporation or its separate segregated fund from soliciting contributions to such a fund from persons outside the corporation’s restricted class — namely the corporation’s stockholders and their families and the corporation’s executive or administrative personnel and their families. 2 U.S.C. § 441b(b)(4)(A)(i).
6. A trade association and its separate segregated fund may solicit the stockholders and the executive and administrative personnel of a member corporation and the families of such stockholders and personnel, provided that the member corporation separately and specifically approves the solicitation, and the member corporation does not approve a solicitation by any other trade association during the calendar year. 2 U.S.C. § 441b(b)(4)(D); 11 C.F.R. § 114.8(c), (d). A trade association also may solicit its noncorporate members. 11 C.F.R. § 114.7(c).

1 15. AHLA provided the Broadmoor with a notice to distribute to Club members, inviting
2 them to join AHLA for one year for a discounted fee of \$25.

3 16. On August 13, 2011, the Broadmoor emailed the notice to Golf Club members
4 inviting them to become members of AHLA and, on the same day, separately sent
5 Golf Club members an invitation to the fundraiser, which solicited contributions for
6 HotelPAC. The Broadmoor sent the fundraiser invitation to all Golf Club members,
7 regardless of whether the members had joined AHLA.

8 17. None of the solicitations sent to Golf Club members for the August 2011 fundraiser
9 informed Golf Club members of the political purpose of HotelPAC or their right to
10 refuse to contribute without fear of reprisal.

11 18. Fourteen Golf Club members became AHLA members, and ten of those persons
12 attended the event and made contributions totaling \$9,515.00 to HotelPAC.

13 V. Respondents committed the following violations:

- 14 1. Contributions were solicited to HotelPAC from persons who were not in the restricted class
15 of AHLA or the Broadmoor in violation of 2 U.S.C. § 441b(b)(4)(A)(i) and 11 C.F.R.
16 § 114.5(g)(1).
- 17 2. Golf Club members were not informed of the political purpose of HotelPAC and their right
18 to refuse to contribute without reprisal in violation of 2 U.S.C. § 441b(b)(3)(B), (C) and 11
19 C.F.R. § 114.5(a)(3), (4).

20 VI. Respondents will take the following actions:

- 21 1. Respondents will pay a civil penalty to the Federal Election Commission in the
22 amount of nine-thousand dollars (\$9,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).
- 23 2. Respondents will cease and desist from violating 2 U.S.C. §§ 441b(b)(3)(B), (C) and
24 441b(b)(4)(A)(i) and 11 C.F.R. § 114.5(a)(3), (4) and (g)(1).


VII. The Commission, on request of anyone filing a complaint under 2 U.S.C § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Except as otherwise provided, Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

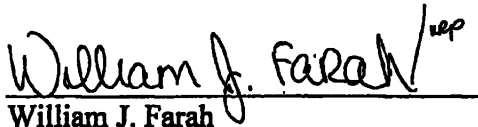
X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Daniel Petalas
Associate General Counsel
For Enforcement

10/24/13
Date

FOR THE RESPONDENTS:


William J. Farah
Counsel To
American Hotel & Lodging Association
American Hotel & Lodging Association
Political Action Committee

8/26/13
Date